

EP INTERROGATORY #11

INTERROGATORY

Reference: Exhibit E1 Tab 2 Schedule 1

Preamble: In its EB-2012-0459 Decision with Reasons issued July 17, 2014, the Board determined that “the Cost of Capital will be re-set each year using the Board’s established approach” (p.10). The Board further concluded that “the allowed ROE for purposes of calculating the ESM should be the ROE used to determine the allowed revenue requirement” (p.14) and that “[T]he preferred approach is to update the return on equity each year during the annual rate adjustment proceeding using the Board-approved parameters.

- A). Please provide a schedule that shows for each year, including the base year and forecast for 2018, the Allowed ROE and Actual ROE under the CIR Plan. For each year show the actual (or forecast) ESM amounts paid to ratepayers.
- B). Please show the annual and total net ROE to EGD over CIR period (including 2018F). Monetize this return. Show the Total Allowed Average ROE over the CIR period and monetize this return.
- C.) Show the total ESM amounts paid to ratepayers (including 2018F)

RESPONSE

The information requested is not relevant to the Company’s update of the 2018 Allowed Revenue as outlined in the elements to be updated in the annual Custom Incentive Rate Process evidence filed at Exhibit A, Tab 3, Schedule 1, Appendix A.

EGD’s past actual utility results, including actual ROE and allowed ROE, and any resulting earnings sharing amounts approved by the Board for payment to ratepayers has been provided for each of the fiscal years 2014 through 2016 in past annual ESM and deferral and variance account review applications. Future actual utility results for 2017 and 2018 will be provided in future similar applications.

Witnesses: A. Patel  
R. Small